

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant PIMCO Europe GmbH, LEI: 549300KW6332H0XL8X85

Summary

PIMCO Europe GmbH, LEI: 549300KW6332H0XL8X85 (“PIMCO”) considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of PIMCO.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023.

The principal adverse impacts considered during this period were as follows:

1	GHG Emissions (scope 1, 2 and 3)
2	Carbon Footprint
3	GHG Intensity
4	Fossil Fuel Exposure
5	Non-Renewable Energy Consumption/Production
6	Energy Consumption Intensity per Impact High Climate Sector
7	Negative Impact on Biodiversity
8	Emission to Water

9	Hazardous Waste	
10	UNGC and OECD Violations	
11	Processes to Monitor Compliance w.r.t the UNGC and OECD Guidelines	
12	Gender Pay Gap	
13	Board Gender Diversity	
14	Controversial Weapons Exposure	
15	GHG Intensity(Sovereign)	
16	Investee countries subject to social violations	
17 (Optional)	Carbon Emissions Reduction Initiatives	
18 (Optional)	Lack of Anti-Corruption and Anti-Bribery Policies	

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
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Climate and other environment-related indicators

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	4,508,597.8 (tons CO2e)	3,803,070.2 (tons CO2e)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses breakdowns of proxy fields to differentiate between reported and estimated data. Reported data %: 84%; Estimated data: 16%	<ul style="list-style-type: none"> As stewards of our client's capital, we are obliged to manage portfolios in line with the guidelines that were agreed upon with our clients. Some of our clients have provided us with guidance if and how we should be incorporating PAIs within their portfolio, but that is currently not the case for the majority of our clients contracted with PIMCO Europe GmbH. Additionally, we are working closely with clients that are seeking advice on how to implement PAIs in their portfolios. We have on boarded PAI-specific data from selected data providers and built the tools and capabilities to track PAI exposure in our internal systems. We have established a governance process that allows for a regular review of the exposure to
		Scope 2 GHG emissions	910,482.2 (tons CO2e)	847,226.6 (tons CO2e)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 82%; Estimated data %: 18%	
		Scope 3 GHG emissions	28,050,321.8 (tons CO2e)	27,774,481.4 (tons CO2e)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to	

					differentiate between reported and estimated data. Reported data %: 0%; Estimated data %: 100%	the PAIs for PIMCO Europe GmbH.
	Total GHG emissions	33,351,021.7 (tons CO2e)	32,552,723.8 (tons CO2e)		Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year.. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Hybrid means that some emissions that conform the figure are reported (e.g. Scope 1 or 2) and some are estimated (e.g. Scope 3). Reported data %: 0%; Estimated data: 16%; Hybrid data %: 84%	<ul style="list-style-type: none"> As one of the world's largest bond holders, we aim to have a market-leading engagement platform. The objective of engagement at PIMCO is to influence change, with a view to improving risk-adjusted returns for our clients. <ul style="list-style-type: none"> Environmental topics play an important part in our engagement discussions with issuer companies, including topics such as GHG emissions, fossil fuel exposure, water, waste, pollution, and biodiversity. <ul style="list-style-type: none"> Depending on data availability and materiality, certain themes may play a more prominent role in our engagement interactions than others.
2. Carbon footprint	Carbon footprint	347.4 (tons CO2e/\$1m Investment)	395.8 (tons CO2e/\$1m Investment)		Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Hybrid means that some emissions that conform the figure are reported (e.g. Scope 1 or 2) and some are estimated (e.g. Scope 3). Reported data %: 0%; Estimated data: 16%; Hybrid data %: 84%	
3. GHG intensity of	GHG intensity of investee companies	1106.9 (tons CO2e/\$1m Revenue)	1,095.6 (tons CO2e/\$1m Revenue)		Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly	

	investee companies				by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Hybrid means that some emissions that conform the figure are reported (e.g. Scope 1 or 2) and some are estimated (e.g. Scope 3). Reported data %: 0%; Estimated data: 16%; Hybrid data %: 84%	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	7% (%MV)	6.8 (%MV)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 100% Estimated data %: 0%	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed	75.8 (%) ¹	68.6 (%) ¹	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 100% Estimated data %: 0%	

		as a percentage of total energy sources			
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	1.4 (GWh / EUR million sales)	2.0 (GWh / EUR million sales)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. This PAI relies on NACE codes. Reported data %: 100% Estimated data %: 0% NACE Codes – Vendor provided. A further breakdown is not available.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.29 (%MV)	0.01 (%MV)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. This metric is 100% Estimated based on reported and estimated data (ESG controversies model). A further breakdown is not available
Water	8. Emissions to water	Tonnes of emissions to water generated by	2 (metric tons/ EUR)	40.2 (metric tons/ EUR)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly

		investee companies per million EUR invested, expressed as a weighted average	1m Investment)	1m Investment)	by PAI and can affect Impact figures for a given year.Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 100% Estimated data %: 0%	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	3.1 (metric tons/ EUR 1m Investment)	112.3 (metric tons/ EUR 1m Investment)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year.Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 100% Estimated data %: 0%	

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for	0.26 (%MV)	0.9 (%MV)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 0% Estimated data %: 100%	<ul style="list-style-type: none"> As stewards of our client's capital, we are obliged to manage portfolios in line with the guidelines that were agreed upon with our clients. Some of our clients have provided us with guidance if and how we should be incorporating PAIs within their portfolio but that is currently not the case for the majority of our clients contracted
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	Multinational Enterprises	Multinational Enterprises				with PIMCO Europe GmbH. Additionally, we are working closely with clients that are seeking advice on how to implement PAIs in their portfolios.
	11.Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	26.9 (%MV)	33.6 (%MV)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year.Data can be reported or estimated. PIMCO’s PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 100% Estimated data %: 0%	<ul style="list-style-type: none"> • We have on boarded PAI-specific data from selected data providers and built the tools and capabilities to track PAI exposure in our internal systems. • We have established a governance process that allows for a regular review of the exposure to the PAIs for PIMCO Europe GmbH. • As one of the world’s largest bond holders, we aim to have a market-leading engagement platform. The objective of engagement at PIMCO is to influence change with a view to improving risk-adjusted returns for our clients.
	12.Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	17.1 (Ratio)	19.4 (Ratio)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year.Data can be reported or estimated. PIMCO’s PAI data vendor uses	<ul style="list-style-type: none"> o Social and governance-related topics play an important part in our engagement discussions with issuer companies, including topics such the alignment with the UN

					proxy fields to differentiate between reported and estimated data. Reported data %: 100% Estimated data %: 0%	Global Compact principles, gender pay gap, gender board diversity. o Depending on data availability and materiality, certain themes may play a more prominent role in our engagement interactions than others.
	13.Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	35.6 (%)	34.9 (%)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 100% Estimated data %: 0%	
	14.Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.01 (%MV) ²	0.02 (%MV) ²	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 100% Estimated data %: 0%	

Indicators applicable to investments in sovereigns and supranationals

Environmental	15.GHG intensity	GHG intensity of investee countries	427.6 (tons CO2e/\$1m GDP)	347.4 (tons CO2e/\$1m GDP)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary by PAI. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to	<ul style="list-style-type: none"> As stewards of our client's capital, we are obliged to manage portfolios in line with the guidelines that were agreed upon with our clients. Some of our clients have
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					differentiate between reported and estimated data. Reported data %: 100% Estimated data %: 0%	provided us with guidance if and how we should be incorporating PAIs within their portfolio, but that is currently not the case for the majority of our clients contracted with PIMCO Europe GmbH. Additionally, we are working closely with clients that are seeking advice on how to implement PAIs in their portfolios.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	8 (Count), 7.3 (%)	8 (Count), 7.6 (%)	Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. Reported data %: 0% Estimated data %: 100% (based on EU and UN Sanction lists)	<ul style="list-style-type: none"> • We have on boarded PAI-specific data from selected data providers and built the tools and capabilities to track PAI exposure in our internal systems. • We have established a governance process that allows for a regular review of the exposure to the PAIs for PIMCO Europe GmbH. • As one of the world's largest bond holders, we aim to have a market-leading engagement platform. The objective of engagement at PIMCO is to influence change with a view to improving risk-adjusted returns for our clients.

						<ul style="list-style-type: none"> o Where possible and relevant, we look to engage with sovereign issuers on topics linked to climate targets, social violations, and countries' green bond or sustainability-linked bond frameworks. o Depending on data availability and materiality, certain themes may play a more prominent role in our engagement interactions with sovereigns than others.
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Other indicators for principal adverse impacts on sustainability factors

Environmental	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	29.2 (%MV)	31.5 (%MV)	<p>Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data. This metric is calculated based on reported and estimated data. A further breakdown is not available.</p>	<ul style="list-style-type: none"> • As stewards of our client's capital, we are obliged to manage portfolios in line with the guidelines that were agreed upon with our clients. Some of our clients have provided us with guidance if and how we should be incorporating PAIs for their portfolio, but that is currently not the case for the majority of our clients contracted with PIMCO Europe GmbH. Additionally, we are working closely with clients that are seeking advice on how to implement PAIs in their portfolios.
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						<ul style="list-style-type: none"> o Depending on data availability and materiality, certain themes may play a more prominent role in our engagement interactions than others.
Social	Lack of Anti-Corruption and Anti-Bribery Policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	1.8 (%MV)	2.5 (%MV)	<p>Figures are based on the share of the AUM stemming from issuers with data coverage for this indicator. Coverage may vary significantly by PAI and can affect Impact figures for a given year. Data can be reported or estimated. PIMCO's PAI data vendor uses proxy fields to differentiate between reported and estimated data.</p> <p>Reported data %: 100%</p> <p>Estimated data %: 0%</p>	<ul style="list-style-type: none"> • As stewards of our client's capital, we are obliged to manage portfolios in line with the guidelines that were agreed upon with our clients. Some of our clients have provided us with guidance if and how we should be incorporating PAIs for their portfolio, but that is currently not the case for the majority of our clients contracted with PIMCO Europe GmbH. Additionally, we are working closely with clients that are seeking advice on how to implement PAIs in their portfolios. • We have on boarded PAI-specific data from selected data providers and built the tools and capabilities to track PAI exposure in our internal systems.

						<ul style="list-style-type: none"> • We have established a governance process that allows for a regular review of the exposure to the PAIs for PIMCO Europe GmbH. • As one of the world’s largest bond holders, we aim to have a market-leading engagement platform. The objective of engagement at PIMCO is to influence change with a view to improving risk-adjusted returns for our clients. <ul style="list-style-type: none"> o Social and governance-related topics play an important part in our engagement discussions with issuer companies including topics such as the alignment with the UN Global Compact principles, gender pay gap, and gender board diversity. o Depending on data availability and materiality, certain themes may play a more prominent role in our engagement interactions than others.
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Description of policies to identify and prioritise principal adverse impacts on sustainability factors

This document summarises our investment research policy in respect of principal adverse impacts, and may be updated from time to time.

PIMCO has implemented a principal adverse impact policy (“PAI Policy”) as from 30 June 2021, to set out how we identify and take into consideration adverse sustainability impacts and indicators, in our investment research processes, and apply these to our sustainable investment offerings. This section of the document summarises certain key provisions of the PAI Policy.

The PAI Policy approaches sustainability from the perspective of the harm that investment positions might do externally to “sustainability factors”, defined in the SFDR as meaning environmental, social and employee matters, respect of human rights, and corruption and anti- bribery matters, and the steps that PIMCO may take to mitigate any such harm.

At the firm level, as part of our ESG Integration, we incorporate consistent consideration of material ESG factors into our investment research process to enhance our clients’ risk-adjusted returns. Material ESG factors may include but are not limited to: climate change risks, social inequality, shifting consumer preferences, regulatory risks, talent management or misconduct at an issuer, among others.

Our portfolio managers and analysts have responsibility for deploying this across the in-scope strategies.

The indicators set out in the section entitled “Other indicators for principal adverse impact” above were selected by us because we consider that they are material to our evaluation of issuers and our engagement approach. Additionally, data coverage for these indicators is relatively good and they are sector neutral and mature.

Date coverage is a function of our data source (MSCI) who, in turn, is generally reliant on the quality of an issuer’s disclosure on a particular indicator. The materiality of these indicators is linked to our internal and external materiality assessment and our experience of dealing with issuers’ ESG evaluation and engagement.

Engagement policies

PIMCO has implemented a shareholder engagement policy, for the purposes of SRD II. Our engagement policy sets out how we integrate shareholder engagement in our investment strategy.

Where we manage accounts which include shares with a listing on an EEA market or on a comparable market outside the EEA, the level of shareholder engagement will depend on a number of factors. While we may, in certain limited circumstances, actively engage with management on strategy, financial and non-financial performance and risk, capital structure, corporate governance or other issues, typically the level of our shareholder engagement is limited to the responsible exercise of voting rights in accordance with PIMCO's Global Proxy Voting Policy.

As one of the world's largest bond holders, we aim to have a market-leading engagement platform. The objective of engagement at PIMCO is to influence change with a view to improving returns and reducing risks for our clients. Environmental topics play an important part in our engagement discussions with issuer companies including topics such as GHG emissions, fossil fuel exposure, water, waste, pollution and biodiversity. Depending on data availability and materiality, certain themes may play a more prominent role in our engagement interactions than others.

References to international standards

Our commitment to sustainability has led PIMCO to endorse numerous codes of conduct and best practices, including through various memberships and affiliations, including:

- Becoming a signatory to the UN Principles of Responsible Investment (PRI)
- Being a participant of the United Nations Global Compact
- Using the standards of the Sustainability Account Standards Board (SASB)
- Becoming a signatory to the Task Force on Climate-related Financial Disclosures (TCFD)
- Being a member of the Institutional Investors Group on Climate Change (IIGCC)

These industry groups do not impose quantitative limits or thresholds in order to demonstrate adherence or alignment with their standards. However, PAIs are relevant to them as follows:

TCFD and IIGCC concern the measurement, optimization, reporting and engagement relating to carbon emissions and fossil fuels usage. As such PAIs 1-6 and 15 in Table 1 are relevant to these standards.

As a participant in the UNGC, PIMCO will evaluate, engage with and (where appropriate) exclude issuers based on their compliance with UNGC. PAIs 10 and 11 will be relevant to this.

All PAIs are potentially relevant to our participation of PRI and SASB since they form part of our research and investment processes.

Historical comparison

2023 is the second year of reporting so a comparison of PAIs for all years of reporting is available above. As stated above, we manage client assets in line with guidelines agreed with our clients. Some clients have provided us with guidance as to if and when we should be incorporating PAIs within their portfolio, but that is currently not the case for the majority of clients contracted with PIMCO Europe GmbH.